



ARIZONA DEPARTMENT OF ECONOMIC SECURITY

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Janet Napolitano
Governor

David A. Berns
Director

January 30, 2004

WIA GUIDANCE LETTER #02-04

**SUBJECT: Announcement of PY 2002 Method I Incentive Awards
For Exemplary Performance**

REFERENCE: P.L. 105-220, §134(2)(B)(iii) of the Workforce Investment Act (WIA);
Subpart B, §665.200(e)(3) of WIA Final Rules dated August 11, 2000; WIA Guidance Letter
#08-03 dated September 25, 2003

BACKGROUND: This letter serves as formal notification to the state's Local Workforce Investment Areas (LWIAs) of the Method I Incentive Awards for WIA PY 2002. Method I awards are based on the extent to which an LWIA *exceeds* negotiated performance outcomes in the five performance categories: Adult, Dislocated Worker, Older Youth, Younger Youth and Customer Satisfaction. As you know, the customer satisfaction results for exiters and employers are cumulative for all local areas in the state. Since the cumulative outcomes for these two measures exceeded the state's negotiated levels, local areas will each receive an *equal* share of the funds earmarked for this award category. The complete awards methodology was explained in detail in WIA Guidance Letter #08-03 dated September 25, 2003.

Last Fall, after multiple data submissions and lengthy discussions with the Department of Labor, we successfully renegotiated the state-level PY 2002 Adult Earnings Gain measure downward to \$2,700. This represented a 10.18% reduction from the original state level of \$3006. In fairness to the local areas, we therefore based all Method I PY 2002 awards in the Adult category on an adjusted Adult Earnings Gain level 10.18% below each LWIA's negotiated level.

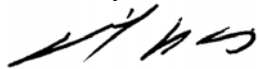
Attachment A of this letter provides a summary of the total incentive awards earned by all LWIAs under Method I *and* Method II criteria. Attachment B offers a detailed look at the number of performance measures met and/or exceeded by each LWIA, as well as the incentive funds awarded for Method I per performance category. By February 6, 2004, LWIAs will receive specific instructions and budget pages via e-mail regarding contracting of the awarded funds to each LWIA.

We commend the state's LWIAs in continuing to institute strategies that advance collaborations both locally and regionally. These collaborations, as well as your willingness to pursue new program management strategies, has resulted in improved performance outcomes and enhanced service delivery to customers statewide.

ACTION REQUIRED: Please distribute this letter and its attachments to appropriate fiscal and program staff.

Feel free to contact Ms. Pat Gregan, Manager of Planning and Program Development, at (602) 542-2490 if you have questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'DRE', is written over the word 'Sincerely,'.

David R. Ellis
Program Administrator (Interim)
Employment Administration – WIA Section

DRE:PG:gg

Enclosures (2)